

ORDINANCE NUMBER 1443

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF PERRIS, CALIFORNIA, INCREASING THE CITY MANAGER'S PURCHASING AUTHORITY FOR GENERAL PURCHASES OF GOODS AND SERVICES; PROFESSIONAL SERVICES; AND PUBLIC PROJECTS BY AMENDING CHAPTER 3.32 (PURCHASING SYSTEM) OF TITLE 3 OF THE PERRIS MUNICIPAL CODE

WHEREAS, Chapter 3.32 of Title 3 of the Perris Municipal Code (“**Chapter 3.32**”) sets forth the City of Perris’ purchasing system; and

WHEREAS, the City Manager’s current purchasing authority for general purchases of goods or services is \$30,000; for professional services is \$30,000; and for public projects is \$60,000; and

WHEREAS, although prices for goods and services; professional services; and public projects has generally increased over the years, the City Manager’s purchasing authority, as stated above, has not been increased since 2017; and

WHEREAS, the City Council, therefore, desires to increase the City Manager’s purchasing authority for goods, services, and professional services to \$40,000, and for public projects to \$80,000 as provided in this Ordinance.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF PERRIS DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. Recitals Incorporated. The City Council finds the above recitals are true and correct and incorporated herein by this reference as if set forth in full.

Section 2. Deletion of Perris Municipal Code (“PMC”) Section 3.32.200(c). Perris Municipal Code Section 3.32.200(c), including the table in Perris Municipal Code Section 3.32.200(c), is hereby deleted.

Section 3. Amendment to Section 3.32.220 relating to Purchase of Goods and Procurement of Non-Professional Services. Perris Municipal Code Section 3.32.220 is amended as follows (~~strikethrough~~ is deleted language while ***bold italics*** is added language):

“The following guidelines apply to the procurement of goods, as defined in section 3.32.210, and to the furnishing of labor, time or effort to perform or complete a designated task ("services"), including but not limited to janitorial, landscaping, pest control, information technology and refuse disposal services, and excluding services specifically defined in section 3.32.230.

- (1) For purchases in the amount of \$5,000.00 or less:
 - a. Purchase of goods or procurement of services (except professional

services as defined in section 3.32.230) ~~for an amount of up to \$5,000.00~~, is subject to the approval ***authority requirements of section 3.32.220(5)*** ~~of the appropriate department head~~ and to the adequate appropriation of funds by the city council.

b. No competitive process is required, but the purchasing officer shall exercise his/her best efforts to purchase goods or procure services at the lowest cost commensurate with the quality needed.

(2) For purchases in an amount higher than \$5,000.00 and up to \$30,000.00:

a. Purchases of goods or procurement of services (except professional services as defined in section 3.32.230) ~~in an amount of more than \$5,000.00 and up to \$30,000.00~~, is subject to the ***approval authority requirements of section 3.32.220(5)*** ~~city manager's written approval~~ and issuance of a purchase order and to the adequate appropriation of funds by the city council.

b. The purchasing officer or his/her designee must first seek and obtain three quotes for purchases of goods or services within this section, unless fewer than three known vendors exist, and document the receipt of the quotes. The vendor offering the best value, after accounting for local preference if any, shall be selected. For the purchase of goods and services, if the lowest quote is not selected, the purchasing officer or his/her designee shall document in writing the basis for such election.

c. Purchase of goods within this section shall be made by purchase order or contract, except for special or unique goods which purchase shall require a contract. Acquisition of services must be made by contract. All contracts are subject to city attorney's approval as to form. When in doubt regarding whether a contract or purchase order is required or advisable, the purchasing officer or his/her designee shall consult with the city attorney.

d. A provider of services shall be required to provide insurance certificates and endorsements. The type and amount of insurance coverage and policy endorsements shall be consistent with the contract insurance requirements checklist prepared by the city's human resources and risk management departments. The human resources and risk management departments may waive or reduce the insurance requirements. In the event of a waiver or reduction of insurance requirements, the basis for such waiver or reduction shall be documented.

~~e. Staging or splitting of any purchase of goods or procurement of services, without proper justification or for the purpose of avoiding the authorization limits, is strictly prohibited under section 3.32.160.~~

~~f. Amendments to a purchase order and/or contract which result in the aggregate purchase contract amount exceeding \$30,000.00 shall require city council approval.~~

(3) For purchases in an amount exceeding \$30,000.00:

a. All purchases of goods or procurement of services (except professional services as defined in section 3.32.230) ~~in an amount that exceeds \$30,000.00~~ is subject to ***the approval authority requirements of section 3.32.220(5)*** ~~city council approval~~. City Council appropriation of funds is required prior to or concurrently with the approval of such purchase or procurement.

b. The purchasing officer or the designee thereof must first seek and obtain three oral or written quotes, unless fewer than three known vendors exist, and document the receipt of the quotes. The vendor offering the best value, after accounting for local preference if any, shall be selected. For the purchase of goods, if the lowest price quote is not selected, the purchasing officer shall document the basis for the selection of the vendor.

c. Purchase of goods under this section shall be made by purchase order or contract, except for special or unique goods which purchase shall require a contract. Acquisition of services must be made by contract. All contracts are subject to city attorney's approval as to form. When in doubt regarding whether a contract or purchase order is required or advisable, the purchasing officer shall consult with the city attorney.

d. A provider of services shall be required to provide insurance certificates and endorsements. The type and amount of insurance coverage, and policy endorsements shall be consistent with the contract insurance requirements checklist prepared by the city's human resources and risk management departments. The human resources and risk management departments may waive or reduce the insurance requirements. In the event of a waiver or reduction of insurance requirements, the basis for such waiver or reduction shall be documented.

~~e. Staging or splitting of the purchase of goods or procurement of services, without proper justification or for the purpose of avoiding the authorization limits, is strictly prohibited under section 3.32.160.~~

~~f. If it is reasonably anticipated by the purchasing officer that the annual total cost of a particular good or service would exceed \$30,000.00 (excluding public projects), then incremental purchases of that good or service shall be pursuant to a contract and subject to city council approval. The contract can be for a per service hour or per item rate, but must be renewed according to the procedures set forth in this chapter. The contract shall be valid for a minimum of one year and it is the responsibility of the purchasing officer to ensure each invoice received from the consultant is calculated at the approved rate. The purpose of this provision is to achieve uniformity and savings in the costs associated with goods or services provided by the same contractor/vendor.~~

~~g. The finance director or his/her designee, shall create, at the direction of city council, a purchase order to encumber budget appropriations equal to the total contract amount upon the city council's approval of the contract and the receipt of an executed copy thereof.~~

(4) Change orders: Except for contracts for public projects, all change orders (inclusive of task change orders) for services are subject to the written approval of the appropriate department head prior to commencement of the work described in the change order. The city manager or a department head may approve individual change orders that fall within their authorized procurement amount limits as defined in this chapter. Any change order which causes the aggregate amount of the contract change orders to exceed the contingency amount authorized by the city council shall be subject to city council approval. All change orders approved by the city council shall be recorded by the finance director or his/her designee, as a change order to the original purchase order.

(5) ***Approval Authority for Goods and Services. All purchases of goods or procurement of services under this section are subject to the following approval authority requirements:***

a. The department head of the department initiating the purchase of goods or procurement of services under this section is authorized to approve such purchase or procurement in an amount up to \$5,000.

b. The city manager is authorized to approve the purchase of goods or procurement of services under this section in an amount up to \$40,000.

c. All purchases of goods or procurement of services under this section exceeding \$40,000 shall require the approval of the city council.

d. Amendments to a purchase order and/or contract for any purchase of goods or procurement of services under this section which result in the aggregate purchase contract amount exceeding \$40,000.00 shall require city council approval.

e. If it is reasonably anticipated by the purchasing officer that the annual total cost of a particular good or service would exceed \$40,000.00 (excluding public projects), then incremental purchases of that good or service shall be pursuant to a contract and subject to city council approval. The contract can be for a per service hour or per item rate, but must be renewed according to the procedures set forth in this chapter. The contract shall be valid for a minimum of one year and it is the responsibility of the purchasing officer to ensure each invoice received from the consultant is calculated at the approved rate. The purpose of this provision is to achieve uniformity and savings in the costs associated with goods or services provided by the same contractor/vendor.

f. Staging or splitting of the purchase of goods or procurement of services, without proper justification or for the purpose of avoiding the authorization limits, is strictly prohibited under section 3.32.160.”

Section 4. Amendment to Section 3.32.230 relating to Procurement of Professional Services. Perris Municipal Code Section 3.32.230 is amended as follows (~~struck through~~ is deleted language while ***bold italics is added language):***

“The following provisions apply to procurement of professional services defined as work performed by private accounting, architectural, financial, landscape architectural, engineering, and environmental, land surveying, legal, construction project management, lobbying firms, and by other specially trained persons.

(1) Five thousand dollars or less:

a. A department head, or his/her designee, is authorized to approve the procurement of professional services ***pursuant to the approval authority requirements of section 3.32.230(5)*** ~~for an amount of up to \$5,000.00~~, and only if adequate funds have been appropriated by the city council in the budget.

b. No competitive process is required, but the department head shall endeavor to procure services at the lowest cost commensurate with the quality needed.

(2) More than \$5,000.00 and up to \$30,000.00:

a. The city manager, or his/her designee, is authorized to ***approve*** contracts and ***issue*** ~~the issuance of~~ purchase orders for the procurement of professional services ***pursuant to the approval authority requirements of section 3.32.230(5)*** ~~for an amount exceeding \$5,000.00 and up to \$30,000.00~~, and only if adequate funds have been appropriated by the city council in the budget.

b. The purchasing officer or the designee thereof must first seek and obtain three written quotes, unless fewer than three known vendors exist, and document the receipt of the quotes. The procurement process may include direct negotiation with a provider of professional services. The selection of a contractor to provide professional services shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. Selection based upon price alone is prohibited; however price may be considered as a factor. Contractor proposals shall be evaluated based on a combination of factors that result in the best value to the city, including but not limited to:

1. Understanding of the work required by the city.
2. Quality and responsiveness of the proposal.
3. Demonstrated competence and professional qualifications necessary for satisfactory performance of the work required by the city.
4. Recent experience in successfully performing similar services.
5. Proposed methodology for completing the work.
6. References.

7. Background and related experience of the specific individuals to be assigned to the project.

8. Proposed compensation.

c. If the purchasing officer or the designee thereof determines that it is in the best interest of the city that a professional service under this section be provided by a specific consultant, with contract terms, work scope and compensation to be determined based on direct negotiations, such recommendation shall be made by the purchasing officer or the designee thereof to the city council and a contract award shall be subject to the city council approval by a majority vote.

d. Procurement of professional services under this section shall be made by contract and a purchase order must be issued and approved by the city manager. The contract shall be subject to city attorney approval as to form.

e. A provider of professional services is required to provide insurance certificates and endorsements. The type and amount of insurance coverage, and policy endorsements shall be consistent with the contract insurance requirements checklist prepared by the city's human resources and risk management departments. The human resources and risk management departments may waive or reduce the insurance requirements and shall document the basis for such a waiver or reduction.

~~f. Staging or splitting of the procurement of professional services, without proper justification or to avoid the authorization limits, is prohibited. Additionally, if the department head reasonably anticipates the annual total cost of a particular service to require a competitive sealed proposal process, then incremental procurement of that service shall be pursuant to a competitive sealed proposal process.~~

~~g. Amendments to a purchase order and/or contract which result in an aggregate contract amount that exceeds the authority of the city manager shall be subject to city council approval.~~

(3) More than \$30,000.00—Competitive sealed proposal process for professional services.

a. The procurement of professional services *pursuant to the approval authority requirements of section 3.32.230(5)* ~~in an amount that exceeds \$30,000.00 shall be subject to the city council approval.~~ City council appropriation of funds is required prior to or concurrently with the approval of such procurement.

b. The procurement process may include direct negotiation with a contractor or consultant currently providing the professional services.

c. In the event a new contractor is selected, the competitive sealed proposal process for professional services under section 3.32.270 shall apply.

d. The purchasing officer or the designee thereof must prepare a request for proposals (RFP) for the procurement of professional services in an amount more than \$30,000.00, in the manner set forth under section 3.32.270. The selection of a professional services contractor shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. Selection based upon price alone is prohibited; however price may be considered as a factor. Contractor proposals will be evaluated based on a combination of factors that result in the best value to the city, including but not limited to:

1. Understanding of the work required by the city.
2. Quality and responsiveness of the proposal.
3. Demonstrated competence and professional qualifications necessary for satisfactory performance of the work required by the city.
4. Recent experience in successfully performing similar services.
5. Proposed methodology for completing the work.
6. References.
7. Background and related experience of the specific individuals to be assigned to the project.
8. Proposed compensation.

e. If the purchasing officer or the designee thereof determines that it is in the best interest of the city that a professional service under this section be provided by a specific consultant, with contract terms, work scope and compensation to be determined based on direct negotiations, such recommendation shall be made by the purchasing officer or the designee thereof to the city council and a contract award shall be subject to the city council approval by a majority vote.

f. Procurement of professional services under this section shall be made by contract. The contract shall be subject to city attorney approval as to form.

g. The finance director, or his/her designee, will create a purchase order to encumber budget appropriations upon the approval of a lump-sum contract by the city council and receipt of an executed copy of the contract.

h. A provider of professional services is required to provide insurance certificates and endorsements. The types of insurance, amount of coverage, and policy endorsements shall be consistent with the contract insurance requirements checklist prepared by the city's human resources and risk management departments. The human resources and risk management departments may waive or reduce the

insurance requirements, and must document the basis for such a waiver or reduction.

~~i. Staging or splitting of the procurement of professional services, without proper justification or to avoid the authorization limits, is prohibited. Additionally, if the department head reasonably anticipates the annual total cost of a particular service to require a RFP process, then incremental procurement of that service shall be pursuant to a RFP process.~~

~~j. Amendments to a purchase order and/or contract which result in an aggregate amount exceeding the approval authority of the city manager shall require city council approval.~~

~~k. Notwithstanding the above limits, the city manager, or his/her designee, is authorized to execute a contract for professional services without city council approval if the contractor has deposited funds sufficient to cover the full amount of the contract with the city (as verified by the finance director), and such funds are held in a trust account that restricts the use of the funds to pay for city-managed professional services contracts, such as the preparation of an environmental impact report. Any contract entered into pursuant to this paragraph shall be entered into in accordance with all applicable state and federal law, city ordinances and adopted city policies, including the same competitive process required for a city-funded contract for professional services. The selection of a professional services contractor shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. Selection based upon price alone is prohibited; however price may be considered as a factor.~~

(4) Change orders: Except for contracts for public projects, all change orders (inclusive of task change orders) for professional services are subject to the written approval of the appropriate department head prior to commencement of the work described in the change order. The city manager or a department head may approve individual change orders that fall within their authorized procurement amount limits as defined in this chapter. Any change order which causes the aggregate amount of the contract change orders to exceed the contingency amount authorized by the city council shall be subject to city council approval. All change orders approved by the city council shall be recorded by the finance director or his/her designee, as a change order to the original purchase order.

(5) Approval Authority for Procurement of Professional Services. All procurement of professional services under this section are subject to the following approval authority requirements:

a. The department head of the department initiating the procurement of professional services under this section is authorized to approve such procurement in an amount up to \$5,000.

b. The city manager is authorized to approve the procurement of professional services under this section in an amount up to \$40,000.

c. All procurement of professional services under this section exceeding \$40,000 shall require the approval of the city council.

d. Staging or splitting of the procurement of professional services, without proper justification or to avoid the authorization limits, is prohibited. Additionally, if the department head reasonably anticipates the annual total cost of a particular service to require a competitive sealed proposal process pursuant to section 3.32.270, then incremental procurement of that service shall be pursuant to a competitive sealed proposal process.

e. Amendments to a purchase order and/or contract which result in an aggregate contract amount that exceeds the authority of the city manager shall be subject to city council approval.

f. Notwithstanding the above limits, the city manager, or his/her designee, is authorized to execute a contract for professional services without city council approval if an applicant has deposited funds sufficient to cover the full amount of the contract with the city (as verified by the finance director), and such funds are held in a trust account that restricts the use of the funds to pay for city-managed professional services contracts, such as the preparation of an environmental impact report. Any contract entered into pursuant to this paragraph shall be entered into in accordance with all applicable state and federal law, city ordinances and adopted city policies, including the same competitive process required for a city-funded contract for professional services. The selection of a professional services contractor shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. Selection based upon price alone is prohibited; however price may be considered as a factor.”

Section 5. Amendment to Section 3.32.240 relating to Public Projects. Perris Municipal Code Section 3.32.240 is amended as follows (~~strike through~~ is deleted language while ***bold italics*** is added language):

“The city has elected by Resolution No. 1568 to become subject to the uniform construction cost accounting procedures set forth in Article 2 (commencing with section 22010) of the Uniform Public Construction Cost Accounting Act. For purposes of this chapter, "public project" is defined as (1) construction, reconstruction, erection, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility; or (2) painting or repainting of any publicly owned, leased, or operated facility; or (3) in the case of a publicly owned utility system, "public project" shall include only the construction, erection, improvement, or repair of dams, reservoirs, power plants, and electrical transmission lines of 230,000 volts and higher. For purposes of this chapter, "public projects" also includes "maintenance work" and any capital

improvement projects undertaken by the Perris Community Economic Development Corporation (CEDC). Maintenance work is defined as: (1) routine, recurring, and usual work for the preservation or protection of any publicly owned or publicly operated facility for its intended purposes; (2) minor repainting; (3) resurfacing of streets and highways at less than one inch; (4) landscape maintenance, including mowing, watering, trimming, pruning, planting, replacement of plants, and servicing of irrigation and sprinkler systems; or (5) work performed to keep, operate, and maintain publicly owned water, power, or waste disposal systems, including, but not limited to, dams, reservoirs, power plants, and electrical transmission lines of 230,000 volts and higher. Facility means any plant, building, structure, ground facility, utility system, or real property, streets and highways, or other public work improvement.

(1) Public project in the amount of \$60,000.00 or less or as set forth in section 22032 subsection (a) of the Uniform Public Construction Cost Accounting Act and any amendments thereto by the California Legislature:

a. As provided by section 22032, subsection (a), of the Uniform Public Construction Cost Accounting Act, and subject to ***the approval requirements in section 3.32.240(8)*** ~~city manager's approval~~, projects under this section may be performed by the employees of the city or by a negotiated written contracts or by the issuance of a purchase order. City council appropriation of funds is required prior to the execution of the contract. The contract is subject to the city attorney's approval as to form.

b. A contractor is required to provide insurance certificates and endorsements. The type and amount of insurance coverage, and policy endorsements shall be consistent with the contract insurance requirements checklist prepared by the city's human resources and risk management departments. The human resources and risk management departments may waive or reduce the insurance requirements, and shall document the basis for such a waiver or reduction.

~~c. Staging or splitting of contracts for public projects, without proper justification or to avoid the authorization limits, is prohibited.~~

~~d.——Change orders or amendments to a purchase order and/or contract which result in an aggregate contract amount exceeding the authority of the city manager shall be subject to city council approval.~~

(2) Projects more than \$60,000.00 and up to \$200,000.00 or as provided under section 22032 subsection (b) of the Uniform Public Construction Cost Accounting Act and any amendments thereto by the California Legislature:

a. As provided in section 22032, subsection (b) of the Uniform Public Construction Cost Accounting Act, public projects within the limits set forth herein may be let to contract by informal procedures as set forth in the Public Contract

Code and adopted herein.

b. For purpose of this section, contracts are subject to ***the approval requirements in section 3.32.240(8)*** ~~city council approval and may be executed by the city manager after said approval.~~ City council appropriation of funds is required prior to the execution of the contract.

c. The purchasing officer shall seek and obtain informal bids using the informal bid process set forth under section 3.32.250 of this chapter. In the event of a conflict between the provisions of this process, and the Public Contract Code or the state controller procedures, the Public Contract Code and state controller procedures shall govern.

d. A written contract is required for public projects under this section. The contract shall be subject to the city attorney approval as to form.

e. The finance director, or his/her designee, will create a purchase order to encumber budget appropriations upon the approval of a lump-sum contract by the city council and receipt of an executed copy of the contract.

f. A contractor is required to provide insurance certificates and endorsements. The type and amount of insurance coverage, and policy endorsements shall be consistent with the contract insurance requirements checklist prepared by the city's human resources and risk management departments. The human resources and risk management departments may waive or reduce the insurance requirements and shall document the basis for such a waiver or reduction.

~~g. Staging or splitting of contracts for public projects, without proper justification or to avoid the authorization limits, is strictly prohibited under section 3.32.160 of this chapter.~~

~~h.——~~Change orders or amendments to a purchase order and/or a contract which result in an aggregate project amount exceeding the approval authority of the city manager shall be subject to city council approval. All contract change orders approved by the city council will be recorded by the finance director, or his/her designee, as a change order to the original purchase order.

(3) Projects more than \$200,000.00 or as provided under section 22032 subsection (c) of the Uniform Public Construction Cost Accounting Act and any amendments thereto by the California Legislature:

a. Public projects under this section shall be let to contract by formal bidding procedures as set forth in the Public Contract Code and adopted herein. Contracts shall be subject to the ***approval requirements in section 3.32.240(8)*** ~~city council approval, and subsequent to such approval, may be executed by the city manager.~~ City council appropriation of funds is required prior to or concurrently with the approval of the contract.

b. The city council shall adopt all plans, specifications, and working details for all public projects of more than \$175,000.00.

c. A written contract is required for all public projects within this section. The contract shall be subject to the city attorney's approval as to form.

d. The finance director, or his/her designee, will create a purchase order to encumber budget appropriations upon the approval of a lump-sum contract by the city council and receipt of an executed copy of the contract.

e. The purchasing officer must seek and obtain formal competitive sealed bids in the manner set forth under section 3.32.260.

f. A contractor is required to provide insurance certificates and endorsements. The type and amount of insurance coverage, and policy endorsements shall be consistent with the contract insurance requirements checklist prepared by the city's human resources and risk management departments. The human resources and risk management departments may waive or reduce the insurance requirements and shall document the basis for such a waiver or reduction.

~~g. Staging or splitting of contracts for public projects, without proper justification or to avoid the authorization limits, is strictly prohibited under section 3.32.160 of this chapter.~~

~~h. Change orders or amendments to a purchase order and/or contract shall be subject to city council approval. All change orders approved by the city council will be recorded by the finance director, or his/her designee, as a change order to the original purchase order.~~

(4) Contingency amount for public projects:

a. Any contingency amount needed to adequately appropriate funds for any public project must be included in the total project cost at the time a request for approval is submitted to the city manager or city council as provided by this chapter.

b. When determining the authorization limit for a public project contract, the contingency amount shall be included.

(5) Change orders: All change orders for public projects shall comply with the city's standard construction specifications and shall be subject to the city attorney's approval and subject to the city manager or appropriate department head's written approval prior to commencement of the work. The city manager or a department head may approve individual change orders that fall within their authorized procurement amount limits as defined in this chapter. Any change order which causes the aggregate amount of the contract change orders to exceed the contingency amount authorized by the city council shall be subject to city council approval.

a. A change order is defined as a formal document that alters some condition of a contract term after the contract has been executed. A change order may alter the contract price, unit quantity, schedule of payments, completion date, or the plans and specifications. The description of the work to be performed under a change order and any justification thereof, must relate to the original project and must describe work necessary to achieve the original objective of project that is the subject of the original contract. A change order may or may not result in a change in the original contract price. All change orders must be processed according to the city's established procedures, including deductive and zero cost change orders.

b. All change orders shall be issued in written form and, once executed, sent to the city clerk for inclusion in the city's records pertaining to the related contract. A change order shall be used to modify the original contract's price, schedule of payments, completion date, plans and specifications, scope of work due to change in conditions, and unit price overruns and under runs. Change orders shall be in writing and shall be subject to approval by the appropriate authority prior to the commencement of the changed work and shall be negotiated for a fixed or unit cost (i.e. not subject to change due to inflation and/or other factors). Any requests for unit quantity adjustments must be submitted as change orders. Change orders for unit quantity adjustments shall not require city council approval unless the adjustments cause a change in scope, or are not within the initially approved contingency amount, or increase the aggregate contract amount to more than ~~\$45,000~~ **\$80,000**.

c. Subject to the appropriation of sufficient budget amount by city council, the project manager is authorized to approve change orders to public contracts without renewed city council approval only if the resulting increase does not exceed five percent of the contract sum or \$25,000.00 whichever is less.

d. The provisions of this section shall not apply to city council approved contracts that specifically set forth a "scope of services" and/or schedule of fees for those services, and if a supplemental rate of pay is specified for additional work to be performed outside of the original scope of work.

e. Subject to the limitations set forth herein, the city manager or a designee thereof, is authorized to approve change orders he or she deems merited, up to the contract contingency amount approved by the city council as follows:

1. Change orders to contracts in an original amount of under ~~\$45,000.00~~ **\$80,000**:

i. The city manager, or his/her designee, may approve any change order as long as the aggregate amount of change orders including the original contract amount does not exceed ~~\$45,000.00~~ **\$80,000**.

ii. Any change order that results in an aggregate project

cost that exceeds ~~\$45,000.00~~ **\$80,000** shall be subject to city council approval.

iii. In case of an emergency, the city manager may make a written finding that the original project cost estimate was reasonable and that it is in the best interest of the city to waive the bidding requirement and approve a change order that causes the aggregate project cost to exceed ~~\$45,000.00~~ **\$80,000**. Any additional change orders or budget appropriations related to the project to which the emergency change order was approved are subject to the city council approval.

2. Change orders to contracts in an original amount greater than ~~\$45,000.00~~ **\$80,000**:

i. Subject to the other provisions in this section, the city manager, or his/her designee, may approve change orders of an aggregate amount within the contingency limit approved by city council for the individual contract to which the change orders apply.

ii. Subject to the appropriation of sufficient budget amount by city council, the project manager is authorized to approve change orders to public contracts without renewed city council approval only if the resulting increase does not exceed five percent of the contract sum or \$25,000.00, whichever is less.

iii. If there exists an immediate, substantial and verifiable threat to public health, welfare, or safety, or when a local emergency has been declared or proclaimed in accordance with the provision of chapter 2.44 of the Perris Municipal Code, the city manager may approve a change order subject to ratification at the next regular city council meeting.

f. Field work directives:

1. In case of a public health or local emergency, the project manager may approve field work directives in an amount not to exceed \$10,000.00 per directive, subject to ratification by the appropriate authority as set forth in this chapter and within the following time limit: for directives within the approval authority of the city manager, ratification must occur within two business days of the emergency field work directive; for directives that are subject to the city council approval, request for ratification must be presented for approval at the regularly scheduled city council meeting immediately following the emergency field work directive.

g. Budget requirements:

1. Subject to the appropriation of sufficient budget amount by

city council, the project manager is authorized to approve change orders to public contracts without renewed city council approval only if the resulting increase does not exceed five percent of the contract sum or \$25,000.00, whichever is less.

2. City council may award a contingency for each contract as appropriate. In the absence of a contingency, each change order is subject to the city council for approval.

3. The likelihood and estimated amount of field work directives and change orders must be addressed, and a corresponding contingency established, in the initial staff report presented to the city council related to the public project. At no time shall the amount of work directives and/or change orders exceed the budgeted contingency amount without additional city council approval.

h. Oversight/project review:

1. Final acceptance reports:

Final acceptance reports for all capital improvement projects must be submitted to the city manager for approval. Acceptance by the city manager shall be acknowledged in writing and attested by the city clerk. The executed final acceptance report shall then be filed with the office of the Assessor-County Clerk-Recorder of the County of Riverside.

i. The term "completed" shall mean after all work has been performed by the contractor according to the terms of the contract and all payments have been made by the city to the contractor (excluding retention).

ii. The city engineer shall present the city council with periodic reports cataloging accepted public projects and capital improvements.

iii. All department heads are required to file a budget-to-actual report with the city council for each completed public project.

(6) Bonds:

a. Bid security bond. The bid security bond may be referred to from time to time as the "bid Bond," "security Bond," and "10 percent bond." No term is more correct than another, and any of these terms may be used interchangeably. The city may, in the call for bid documents, require all bidders to deposit with the city a bid security bond in an amount equal to ten percent of the bid contract amount or any other amount the city specifies, and in a form payment of the city's choosing. Should the successful bidder refuse to execute the contract as awarded and within the required deadline, the bidder shall be deemed to have forfeited the bid security

bond amount to the city. The city may retain as damages an amount out of the bid security bond equal to the difference between the lowest/successful bid and the second lowest bid and return the excess bid security bond amount, if any, to the lowest/successful bidder.

b. Payment bond. The city may, in the call for bid documents, require bidders to submit with the city a payment bond for the purpose of providing sub-contractors and suppliers, if any, with a surety backing in the event the general contractor does not pay amounts due to sub-contractors and suppliers under the public project contract.

c. Performance bond. The city may, in the call for bid documents, require bidders to deposit with the city a performance bond for the purpose of compensating the city for any damages resulting from the successful bidder's failure to complete the public project in accordance with the bid specifications, including the cost of contracting with a different contractor to complete the project. Performance bonds are required for all contracts over \$45,000.00.

(7) Utility relocation: The city council hereby authorizes and delegates authority to the city manager and the city engineer to negotiate and execute contracts for the relocation of utilities necessitated by a public project with utility companies. Such authority shall only be exercised (a) in accordance with state law, city ordinances and adopted city policies, as applicable (b) only if adequate funds for the contract have been included in the approved city budget for the applicable year, or otherwise appropriated by the city council, and (c) subject to city attorney approval as to form and legality.

(8) *Approval Requirements.*

a. Contracts for public projects in an amount of \$80,000 or less are subject to the approval of the city manager.

b. Contracts for public projects in an amount greater than \$80,000 are subject to the approval of the city council.

c. Staging or splitting of contracts for public projects, without proper justification or to avoid the authorization limits, is strictly prohibited under section 3.32.160 of this chapter.

Section 6. Amendment to Section 3.32.280 relating to Exceptions to the Competitive Process. Perris Municipal Code Section 3.32.280 is amended as follows (strikethrough is deleted language while bold italics is added language):

“The competitive processes identified in sections 3.32.260 and 3.32.270 shall not apply in the following circumstances.

(1) Emergency. A purchasing officer may make emergency purchases of goods, procurement of services, or undertake public construction, without following the

competitive process in this chapter when there exists an immediate, substantial and verifiable threat to public health, welfare, or safety, or when a local emergency has been declared or proclaimed in accordance with the provision of chapter 2.44 of the Perris Municipal Code provided that such emergency purchases shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency purchase or procurement, and for the selection of the particular vendor or contractor shall be included in the contract file. For contracts other than for public projects in the amount of ~~\$40,000~~ \$30,000.00 or less, or for public project contracts in the amount of ~~\$80,000~~ \$45,000.00 or less, this determination shall be made by the city manager. For contracts for other than public projects in the amount of more than ~~\$40,000~~ \$30,000.00, or for public projects contracts in the amount of ~~\$80,000~~ \$45,000.00, the city manager shall provide a report to the city council after the emergency condition has passed or subsided of the basis for the emergency purchase or procurement, and for the selection of the particular vendor or contractor. The city council may ratify the contract following a determination that the emergency purchase or procurement was warranted.

(2) Sole or limited source. Unique commodities and services which can be obtained from only one vendor or one distributor authorized to do business in the State of California, with singular characteristics or performance capabilities or which have specific compatibility components with existing city products are exempt from the competitive bidding requirements set forth in this chapter and are deemed sole source purchases. Sole source purchases may include proprietary items sold direct from the manufacturer. All sole source purchases shall be supported by written documentation indicating the facts and nature supporting the determination of a sole source, signed by the appropriate department head and forwarded to the finance department. As with any other purchase, staff must establish facts indicating the anticipated cost is fair and reasonable. A contract may be awarded without competition when the purchasing officer determines in writing, after conducting a good faith review of available sources, that there is only one source for the required goods, service, or construction item. For contracts other than public projects in the amount of ~~\$40,000~~ \$30,000.00 or less, or for public projects in the amount of ~~\$80,000~~ \$45,000.00 or less, this determination shall be made by the city manager. For contracts other than public projects in the amount of more than ~~\$40,000~~ \$30,000.00, or for public projects in the amount of ~~\$80,000~~ \$45,000.00, this determination shall be made by the city council. The city manager or his/her designee shall conduct negotiations, as appropriate, as to price, delivery, and terms. A statement of the basis for the sole source determination shall be placed in the contract file.

(3) Public interest. In limited and unique circumstances, competitive bidding is not required when it would be impossible, or when it would not be in the public interest. This exception may apply when the purchase is for: (1) a specialized technology product, (2) an addition to, or repair or maintenance of, existing equipment which can be more efficiently added to, repaired or maintained by a particular company or manufacturer, or (3) equipment which must be compatible with existing equipment, by reason of the training of the personnel or an inventory

of existing replacement parts kept by the city. For non-public project contracts in the amount of ~~\$40,000~~ \$30,000.00 or less, or for public project contracts in the amount of ~~\$80,000~~ \$45,000.00 or less, this determination shall be made by the city manager. For non-public project contracts in the amount of more than ~~\$40,000~~ \$30,000.00, or for public project contracts in the amount of ~~\$80,000~~ \$45,000.00, this determination shall be made by the city council. A statement of the basis for the determination shall be placed in the contract file.

(4) Other exceptions. Contracting for trash and garbage services, and any services connected with elections is not required to follow the competitive bidding procedures.”

Section 7. Severability. If any subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance or any part thereof is for any reason held to be unconstitutional or otherwise unenforceable, such decision shall not affect the validity of the remaining portion of this Ordinance or any part thereof. The City Council hereby declare that they would have passed each subsection, subdivision, paragraph, sentence, clause, or phrase thereof, irrespective of the fact that any one or more subsection, subdivision, paragraph, sentence, clause, or phrase be declared unconstitutional or otherwise unenforceable.

Section 8. Effective Date. This Ordinance shall take effect 30 days after its adoption.

Section 9. Certification. The City Clerk shall certify as to the passage and adoption of this Ordinance and shall cause the same to be posted at the designated locations in the City of Perris.

ADOPTED, SIGNED and APPROVED this 11th day of June, 2024.

Michael M. Vargas, Mayor

ATTEST:

Nancy Salazar, City Clerk

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) §
CITY OF PERRIS)

I, Nancy Salazar, CITY CLERK OF THE CITY OF PERRIS, DO HEREBY CERTIFY that the foregoing Ordinance Number 1443 was duly introduced by the City Council of the City of Perris at a regular meeting of said Council on the 28th day of May, 2024 and was duly adopted by the City Council of the City of Perris at a regular meeting of said Council on the 11th day of June, 2024, and that it was so adopted by the following vote:

AYES: ROGERS, NAVA, CORONA, RABB, VARGAS

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

City Clerk, Nancy Salazar

EXHIBIT 1
TABLE